

ORIGINAL



MEMORANDUM

305m

TO: Lori Miller
Programs & Projects Specialist
Utilities Division

FROM: John Bostwick *JB*
Administrative Service Officer
Utilities Division

DATE: March 2, 2006

RE: SBC Long Distance, LLC d/b/a SBC Long Distance.
Docket Nos. T-03346A-04-0911 and T-03811A-04-0911
Decision No. 67827

On February 27, 2006, Staff received a copy of SBC Long Distance, LLC d/b/a SBC Long Distance's ("SBC" or "Company") A.C.C. Tariff No. 9 bearing an effective date of May 10, 2005.

The advice letter indicated that the tariff pages are being replaced with 10 Original pages.

Staff reviewed the revisions to SBC's A.C.C. Tariff No. 9 bearing an effective date of May 10, 2005. This tariff filing proposed several changes: (1) revisions to Technical Terms or Abbreviations; (2) revisions to customer deposits and payment of interest on deposits language as required by Arizona Administrative Code ("A.A.C.") R14-2-503 B (3) and (6) a. and b.; and (3) revisions to late charge or late payment penalty language as required by A.A.C. R14-2-508 G (3). SBC's proposed tariff revisions adopt all of Staff's recommendations addressed to you in a memorandum dated November 29, 2005. Attached is a copy of the November 29, 2005 memorandum.

Since there were no findings regarding the prices of rates or charges in the tariff, Staff did not send a data request to SBC. Staff recommends that SBC's proposed tariff revisions to A.C.C. Tariff No. 9 be filed with the effective date of May 10, 2005.

CC: Docket Control (Original and Thirteen Copies)

Attachments (3)

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MEMORANDUM

TO: Lori Miller
Programs & Projects Specialist
Utilities Division

FROM: John Bostwick
Administrative Service Officer
Utilities Division

DATE: November 29, 2005

RE: SBC Long Distance, LLC d/b/a SBC Long Distance.
Docket No. T-03346A-04-0911 Decision No. 67827

On May 6, 2005, Staff received a copy of SBC Long Distance, LLC d/b/a SBC Long Distance's ("SBC" or "Company") Tariff No. 9 bearing an effective date of June 4, 2005. The Advise Letter No. 184 from SBC's Legal Representative, Gary L. Lane submitting SBC's Tariff No. 9 was dated May 5, 2005. The yellow "TARIFF COMPLIANCE" form from Lori Miller requests that Staff review the tariff for compliance purposes and contact the Company to correct any deficiencies and recommend they make a re-filing through Docket Control.

Staff reviewed the effective date of Decision No. 67827 and the effective date SBC's proposed tariff to be filed with the Arizona Corporation Commission ("Commission"). SBC submitted its proposed tariff within the effective date ordered by Decision No. 67827.

The contents of SBC's proposed tariff are addressed in six Sections consisting of 691 pages including a Price List of 111 pages. Staff reviewed six Sections of the tariff but did not review every numbered item in each Section. Staff is not aware of every numbered item in SBC's tariff that agrees or conflicts with every regulation established in the Arizona Administrative Code ("A.A.C.") rules. Also, Staff is unable to verify that every regulation in each Section of the Articles related to telecommunications in the A.A.C. rules is captured in SBC's proposed tariff. However, Staff is aware that SBC has deficiencies in its proposed tariff that need to be corrected for compliance purposes.

The following lists for each technical term or abbreviation found in SBC's tariff and the A.A.C. rules, the A.A.C. rule number that defines the technical term or abbreviation approved by the Commission:

<u>Term or Abbreviation</u>	<u>A.A.C. Rule Number</u>
Access Line	R14-2-501 item number 19
Affiliate	R14-2-1001 item number 2
Applicant	R14-2-501 item number 2
Blocking	R14-2-1001 item number 7
Commission	R14-2-1102 item number 1
Customer	R14-2-501 item number 9

Equal Access	R14-2-1102 item number 6
LATA	R14-2-1001 item number 13
LEC	R14-2-1302 item number 13
LIDB	R14-2-1302 item number 12
NPA	R14-2-1302 item number 17
Rate Center	R14-2-1302 item number 19

Staff recommends that SBC use the same definition for each term or abbreviation as those listed by the corresponding A.A.C. rule number. This will help to ensure each term or abbreviation approved by the Commission is used in SBC's tariff.

Under the Rules and Regulations Section of the Company's tariff, Staff examined the Customer Deposits item numbered 2.8.1 (B) on page 96. The tariff states that "The amount of any deposit will not exceed the estimated charges of three months' Service."

According to A.A.C. rule R14-2-503 B (6) a. and b., the amount of deposits required by the utility shall not exceed two times the residential customer's estimated average monthly bill. For nonresidential customer, deposits shall not exceed 2.5 times that customer's estimated maximum monthly bill. Staff recommends that SBC revise the language in its proposed tariff to match the language in R14-2-503 B (6) a. and b. This will help ensure that all customers pay the appropriate amount of deposit required in Arizona.

The Company also states on page 96 of its proposed tariff that it will pay interest on deposits according to the rules and regulations of the Commission. Staff was unable to locate in the tariff the amount of interest SBC will pay interest on the deposits. Also, Staff was unable to locate that a tariff proceeding approving the interest rate and method of calculation was filed and approved by the Commission.

Rule A.A.C. R14-2-503 B (3) clearly states that "...deposits shall be interest bearing..." Staff recommends that SBC follow the requirements established in A.A.C. R14-2-503 B (3) regarding the payment of interest on customer deposits. Also, Staff recommends that the amount of interest or interest rate to be paid on deposits should be listed in the tariff. This will help ensure all customer deposits are treated in a fair and equitable manner in Arizona.

Under the Rules and Regulations Section of the Company's tariff, Staff examined the late charge item numbered 2.9.2 (B) on page 104. The item states that "The Company may charge a late charge of \$5.00 or 1.5% per month, whichever is greater".

In A.A.C. R14-2-508 G (3), the amount of the late payment penalty shall not exceed 1.5% of the delinquent bill. Staff recommends that SBC revise the language in its proposed tariff to match the language in R14-2-508 G (3). This will help ensure that all customers pay the appropriate amount of late payment penalty required in Arizona.

Staff recommends that SBC revise its tariff with Staff's recommended changes and file the revised tariff (original and thirteen (13) copies) through Docket Control at the Arizona

Corporation Commission.

Staff has contacted Mr. Norman W. Descoteaux, SBC Long Distance, by e-mail to inform him of the revisions that need to be made SBC's proposed tariff and the need to response to Staff's data request. Attachment of this memorandum to the e-mail will inform Norman W. Descoteaux of the concerns and deficiencies that need to be addressed in SBC's proposed tariff.